

NO ANALYSIS REQUIRED

Franchise Tax Board

Author: Haynes Analyst: Darrine Distefano Bill Number: SB 188
Related Bills: See Legislative History Telephone: 845-6458 Introduced Date: February 7, 2001
Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: State Agency Contracts/Religious Organizations

- ☐ ANALYSIS NOT REQUIRED of this bill -- Not within scope of responsibility of this department.
- ☒ TECHNICAL BILL -- No program or fiscal changes to existing program.
- ☐ BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department.
- ☐ TECHNICAL AMENDMENT -- No change in previously submitted analysis required. Approved position of prior analysis is _____.
- ☐ MINOR AMENDMENT -- No change in previously submitted analysis required. Approved position of prior analysis is _____.
- ☐ MINOR AMENDMENT -- No change in approved position of _____.
See comments below.
- ☒ OTHER - See comments below.

COMMENTS:

Contracts to which state agencies are parties must meet the requirements of existing state law, the State Administrative Manual (SAM), the State Contracting Manual (SCM), and departmental policy.

This bill would allow state agencies to contract with or award grants to an educational or social service organization that is exempt from taxation pursuant to specified provisions of the Internal Revenue Code (Section 501(c)(3)) if that organization is also a religious organization. This bill clarifies types of entities that can be hired as contractors and can be implemented during the normal update to the contract process. Franchise Tax Board does not award grants, so this provision of the bill would not apply.

The author may wish to clarify the social service organizations referred to in the bill. Social service organizations are not tax-exempt under Section 501(c)(3) of the Internal Revenue Code. In addition, the author may wish to include organizations that are tax exempt under comparable provisions of California tax law, i.e., Section 23701d of the Revenue and Taxation Code. Further, the author may wish to clarify on page 3, lines 22-23 that state agencies have three business days to provide an alternative provider.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input checked="" type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Franchise Tax Board Staff

Date

Darrine Distefano

03/21/01